

In response to your letter dated September 22, 2006 regarding the August Monthly Report please note that the Committee has filed an amended version to correct the primary designations for the in-kind contributions that should have been reported as general and the year to date figures related to the general election totals for Independent Expenditures in Ohio 6 and West Virginia 1.

You have stated that the Committee received an offset from McDermott Will & Emery however we never showed a payment to that firm. In 2005 the Committee paid the firm a \$20,000 retainer for legal fees as well as hourly payments. The work was completed and the balance of the retainer was returned.

You have asked if the Committee is charging the usual and normal charge for any services provided to candidates and committees related to the payments shown on Schedule A supporting line 15. The Committee passes on the full charge incurred by the Committee to those candidates and committees requesting services. There are no discounts and no mark-ups. The usual and normal charge is applied and that is what is paid and then reported.

You have stated that certain in-kind contributions were made for the general election prior to the primary. Those in-kinds were related to events and services related to the general election and so the designation was correct as filed.

You have asked again if the Committee is following all Commission guidelines for independent expenditures since the Committee is making independent expenditures as well as coordinated, direct and in-kind contributions for the same candidates. The Committee follows all guidelines for the separation of the independent expenditures division. All independent expenditures are made without the knowledge of the campaign or the NRCC staff involved in campaign related work. The Committee has set up the independent expenditures division outside the Committee building and they are not associated with the staff making campaign related decisions or contributions. The Committee is permitted under the law to make both types of expenditures and we are setting the standard of how a Committee should operate under the current laws.

Please contact me with any additional questions or concerns. Thank you.